

Good afternoon, San Diego County leaders.

This week marks the two-month milestone of our decision to transition 75 percent of our workforce to telework as we collectively combat the spread of coronavirus. Despite the challenges, employees of the Water Authority and our 24 member agencies have continued undeterred to keep the water flowing. We've also put together a short, inspiring video featuring workers at home and in the field from across the region's water and wastewater sector. I'm so proud to be a part of this industry and this video, which you can watch here. As it says, "We're Here for You."

We're also here for our region by taking an aggressive approach to protecting San Diego County's economic welfare.

For starters, we've been coordinating closely with the region's water utilities to **promote dozens of shovel-ready infrastructure projects** for anticipated state and federal stimulus packages. From replacing valves in pipelines to building water purification facilities to developing a major pumped hydropower energy storage project for the region, we are advancing important efforts that will enhance water reliability and increase jobs across our county.

I'm particularly excited about the San Vicente Energy Storage Facility that we're proposing with our partners at the City of San Diego. The project could generate more than **50,000 hours of preconstruction work, followed by more than 1,000 jobs** during a four-year construction period. When it's completed, we could store huge volumes of renewable energy by pumping water in a closed loop to an upper reservoir, and then generate clean energy by releasing water to turn turbines.

This project does not require any state investment or financial assistance to generate economic stimulus. All equity and debt financing would be provided by a private investor that already has a significant footprint in California. **What the project really needs is a regulatory path forward**, which can be achieved through legislation or decisions by the California Public Utilities Commission.

Also on the financial front, we're preparing to recommend 2021 rates and charges to the Board of Directors. Given the harsh economic realities and unprecedented challenges, we have identified tens of millions of dollars in deferrals during our mid-term budget review and are quite literally working day and night on a plan that will provide the required revenues while avoiding extreme rate increases.

Thank you for your time and attention. I would love to hear from you at GM@sdcwa.org with your comments, suggestions or questions.



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